



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



MAY 9, 2000

PNTR Vote Expected To Be Close. The status of proposed legislation to create permanent normal trade relations (PNTR) between the United States and China is in the hearts and minds of Republicans and Democrats, business leaders and labor representatives, exporters and human rights advocates, and others, as a House of Representatives vote on the matter approaches, later this month. Although it appears that the bill, granting China permanent normal trade status with the U.S., will easily meet Senate approval in early June, a vote in the House during the week of May 22 will likely be the determining factor for the future of permanent normal trade with China. It is likely to affect China's potential for membership in the World Trade Organization (WTO), as well. A politically and economically isolated country only 50 years ago, China has gradually increased its role in the global economy, beginning with the General Agreement on Trade and Tariffs--GATT (1947), followed by the elimination of a U.S.-imposed trade embargo (1972), the first U.S.-China bilateral trade agreement and U.S. granting China a Most Favored Nation (MFN) trading status (1980), and a series of other trade agreements. The most recent U.S. trade agreement, signed last November, was intended to open China even further to U.S. exports, such as agriculture and telecommunications goods. More agreements between China and other important global markets followed, each increasing the possibility for China to eventually be admitted into the WTO and increase its role in the world economy. Opposition to the current proposal comes largely from human rights advocates and labor representatives. China has long been known to jail its citizens for political and religious reasons, operate slave labor camps, and maintain government policies that force birth control. These, in addition to the military threat that many feel China poses to neighboring Taiwan, are, for many, reasons to vote against the bill and continue to decide yearly on the status of China's trade relations with the U.S., which essentially allows it the same low-tariff access to U.S. markets as virtually all other U.S. trading partners. Many supporters, on the other hand, feel that granting China permanent NTR will eventually lead to more extensive changes in the communist nation. Supporting the bill, former U.S. Presidents Gerald Ford, Jimmy Carter, and George Bush stated that granting permanent NTR "will reduce the volatility and improve the atmosphere of U.S.-China relations, strengthen our ability to move China in the right direction, and increase China's stake in stability and prosperity in the region." Additional support came from 43 governors, who directed a letter to House and Senate leaders asking that permanent NTR be granted. Meanwhile, addressing issues regarding human rights, Rep. Sander Levin (D-MI) and Rep. Doug Bereuter (R-NE) are cosponsoring a bill which would create a "congressional-executive commission" to monitor human rights, labor rights, and religious freedom in China. Other provisions include safeguards against import surges by China into the U.S., as well as a task force to monitor and ban any imports made by forced labor. The bill also encourages the WTO to admit Taiwan immediately after China. The Clinton administration, already determined to not block China's WTO accession, stated that a failure to approve permanent NTR would mean that the U.S. would miss out on the benefits of China's opening market. The administration estimates that granting PNTR could increase farm exports by \$2 billion annually by 2005. Harvard University professor, Dwight Perkins, a leading expert on China's rural economy, stated that "China has no comparative cost advantages in grain production, and it is already a large grain importer," adding that WTO laws will help to increase grain imports. U.S. Secretary of Agriculture, Dan Glickman, speaking to the National Corn Growers Association recently, stated that "it is critically important that every member of the House of Representatives hear from as many of his/her farmer constituents as possible-as soon as possible." A recent *Reuters* poll of the 435-member House indicated that 161 members have said they would, or were likely to, support PNTR for China, while 160 said they would, or were likely to, oppose the bill. Of those polled, 98 were undecided. Passage of the bill requires 218 votes. (*LA Times* 5/7/9, *Washington Times* 5/7/10, *Reuters* 5/5/7/8, *NY Times* 5/9, www.isisw3.com/uscefe/education/timeline.html, www.econstrat.org/pntraaron.htm)

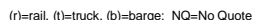
British Farmers Look To U.S. Counterparts. A group of 13 British farmers toured Iowa farms recently to see how American farmers are dealing with the problems of oversupply and the decreased markets for agriculture caused by the economic problems in Asia. The British farmers chose northwest Iowa because, according to group spokesman, John Rutherford, the family farms and community involvement in agriculture are similar to those in Britain. A British farm is typically smaller, however, at an average of 200 acres. The group also discussed biotechnology, a particularly controversial topic in Europe, and were eager to learn the reason for its success in the U.S. (*AP* 5/6)

Latin America May Soon Boast Surplus. Led by Brazil, its largest economy, Latin America may soon have a trade surplus with the U.S. This is in comparison to Brazil's \$1.05 billion trade deficit just last year. "We have a modest surplus with Latin America...but trends indicate the surplus is a thing of the past," said Buddy McKay, special envoy to Latin America for the Clinton Administration. To claims by Latin American companies accusing the U.S. of imposing trade barriers on exports from Latin America, McKay emphasized that the U.S. has long been an "ally" of Mercosur and a major supporter of the creation of the Free Trade Area of the Americas (FTAA). Mercosur is the world's third-largest trade group, composed of Brazil, Argentina, Paraguay, and Uruguay. (*Reuters* 5/8)

Report is prepared by Karl Hacker, Agricultural Economist, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to GTR@usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

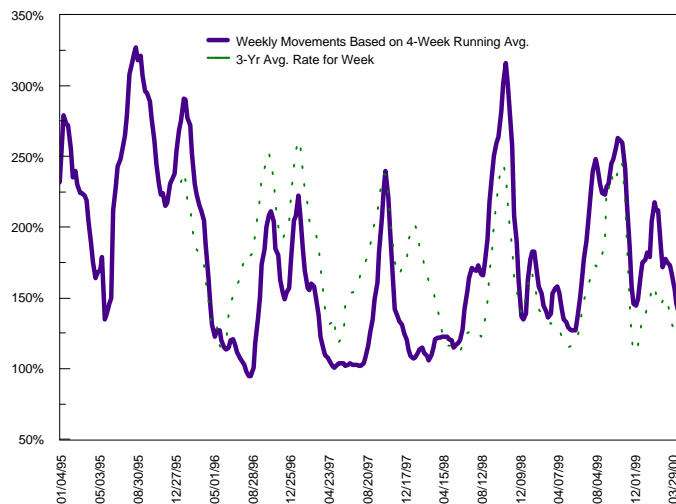
Futures:				Week Ago	Year Ago
			05/05/00	04/28/00	05/07/99
Kansas City	Wht	May	2.9650	2.7100	2.8400
Minneapolis	Wht	May	3.4275	3.2000	3.2100
Minneapolis	Dur	May	4.3000	4.1000	na
Chicago	Wht	May	2.7275	2.4225	2.6450
Chicago	Corn	May	2.4825	2.2375	2.1850
Chicago	Sybn	May	5.6600	5.2650	4.7750



Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Index - Percent of Tariff Rate



Average \$/Car up to 6 months of trading

\$0=Tariff Rate

BNSF-SWAP (Black line with square markers)

UP-POOL (Purple line with circle markers)

Delivery Month-Year

Delivery Month-Year	BNSF-SWAP (\$/Car)	UP-POOL (\$/Car)
Sep-97	80	110
Oct-97	180	200
Nov-97	180	230
Dec-97	130	220
Jan-98	70	140
Feb-98	-10	80
Mar-98	-90	10
Apr-98	-130	-20
May-98	-150	-30
Jun-98	-90	0
Jul-98	-30	50
Aug-98	60	110
Sep-98	120	160
Oct-98	170	190
Nov-98	110	140
Dec-98	40	60
Jan-99	-10	20
Feb-99	-40	10
Mar-99	-50	0
Apr-99	-50	-10
May-99	-40	-10
Jun-99	-10	10
Jul-99	-10	30
Aug-99	30	60
Sep-99	60	100
Oct-99	70	100
Nov-99	10	30
Dec-99	-40	-10
Jan-00	-40	-20
Feb-00	-40	-30
Mar-00	-30	-40
Apr-00	-40	-30
May-00	-40	-20
Jun-00	-30	-10
Jul-00	-20	10
Aug-00	-10	30
Sep-00	0	40
Oct-00	10	40

Rail Car 'Auction' Offerings				
Delivery for:	May-00		Jul-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,000	17%	12,000	57%
UP-GCAS	5,400	1%	5,400	0%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-00	Jun-00	Jul-00	Aug-00
BNSF-GF	\$(52)	\$(59)	\$(51)	\$(5)
UP-Pool	\$(24)	\$(22)	\$(14)	\$6

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-00	Jul-00	Aug-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	\$0	\$0
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended*	River/Region	Contract Period	Rate*
5/4/00	Illinois River	twk	130
		Jun.	160
	St. Louis	nwk	105
		Oct.	225**
	Mid Miss.	twk	135
		Oct.	245

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

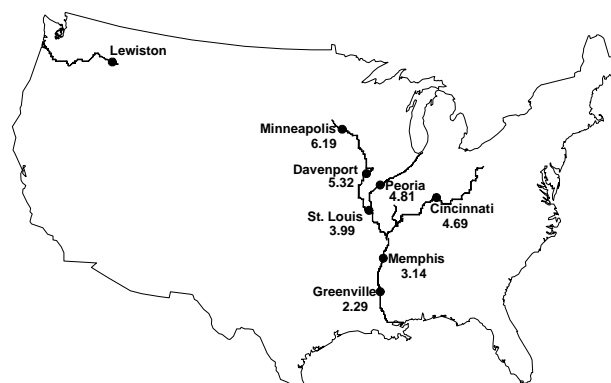
Southbound Barge Freight Spot Rates

	5/3/00	4/26/00	June '00	Aug '00
Twin Cities	173	178	193	223
Mid-Mississippi	142	142	162	188
Illinois River	136	134	154	179
St. Louis	107	109	125	163
Lower Ohio	118	118	133	176
Cairo-Memphis	100	100	121	159

Source: Transportation & Marketing /AMS/USDA
nq=no quote

(*) percentage for bid rates

(**) percentage for offered rate

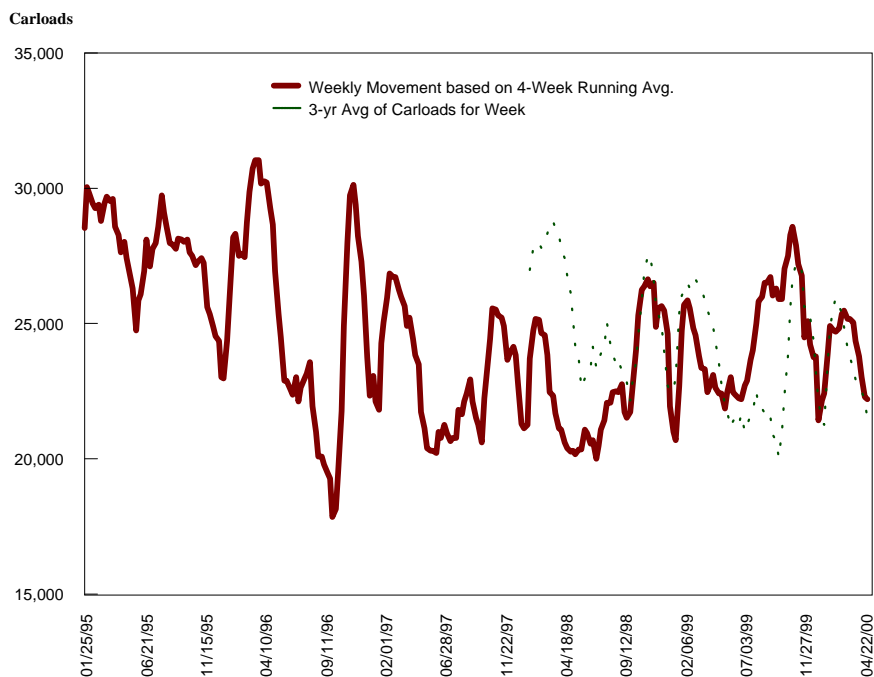
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/15/00	22,140
4/22/00	21,316
4/29/00	22,675
Year to Date - 2000	413,215
Year to Date - 1999	403,170
Total 1999	1,269,741

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>					<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP		
04/29/00	0	2,843	1,675	3,585	6,856	507	7,209	2,249	4,063		
This Week Last Year	624	2,434	1,723	2,339	6,468	732	6,681	2,601	4,165		
2000 YTD	0	48,872	31,135	50,514	140,431	10,267	131,996	48,497	76,386		
1999 YTD	13,157	43,252	24,829	43,255	137,515	12,584	128,578	34,039	53,269		
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328		
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005		

Source: Association of American Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

May 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/05/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
05/05/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/05/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
05/05/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
05/05/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
05/05/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
05/05/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
05/05/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
05/05/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
05/05/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

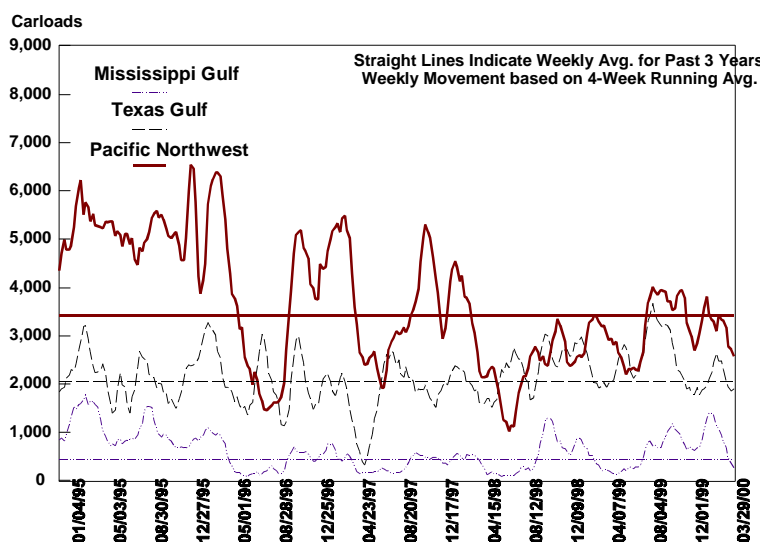
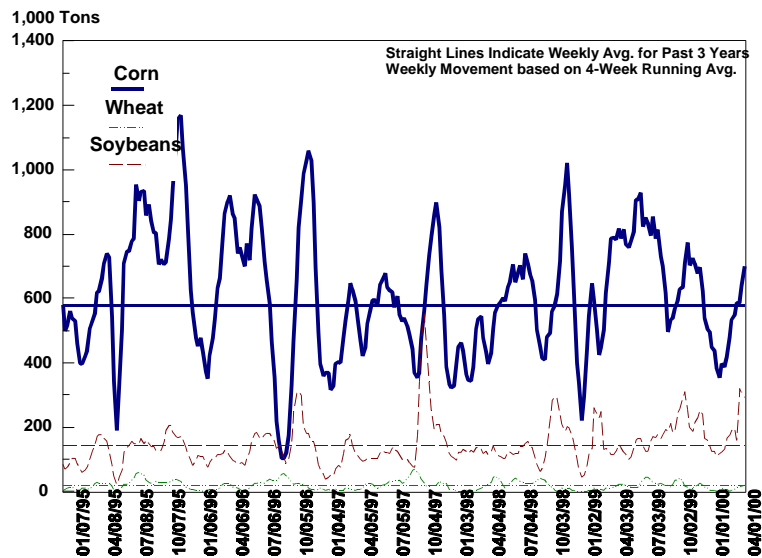
Rail Deliveries to Port

Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/22/00	640	2,358	2,923	396
03/29/00	629	1,804	2,998	110
04/05/00	355	2,076	2,601	237
04/12/00	214	1,509*	2,592	191
04/19/00	287	2,090*	2,710	273
04/26/00	203	1,940*	2,385	233
YTD 2000	14,528	35,861*	53,312	6,589
YTD 1999	8,870	40,461	49,870	6,482
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

* Incomplete Data

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 4/29/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	301	8	35	343
Winfield, MO (L25)	443	8	56	507
Alton, IL (L26)	747	24	81	855
Granite City, IL (L27)	722	27	82	835
Illinois River (L8)	292	2	29	335
Ohio (L52)	29	6	17	62
Arkansas (L1)	0	37	13	49
2000 YTD	9,794	584	3,161	14,189
1999 YTD	10,554	819	2,394	15,016
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/27/00	844	520	996	654	327	3,341	7,106	2,057	12,504
This Week Year Ago	1,407	639	1,141	482	139	3,808	7,686	2,230	13,724
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	9,843	3,870	5,163	3,506	825	23,207	32,645	21,295	77,147
98/99 YTD	9,443	2,109	5,899	5,016	889	23,356	31,145	17,713	72,214
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/04/00	236	132	0	117	620	386	96	9	10
2000 YTD	3,103	2,852	635	2,142	11,363	7,295	1,974	110	717
1999 YTD *	3,499	2,651	93	1,955	11,319	5,603	2,223	257	630
% of Last Year	29%	65%	98%	42%	36%	49%	27%	20%	51%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

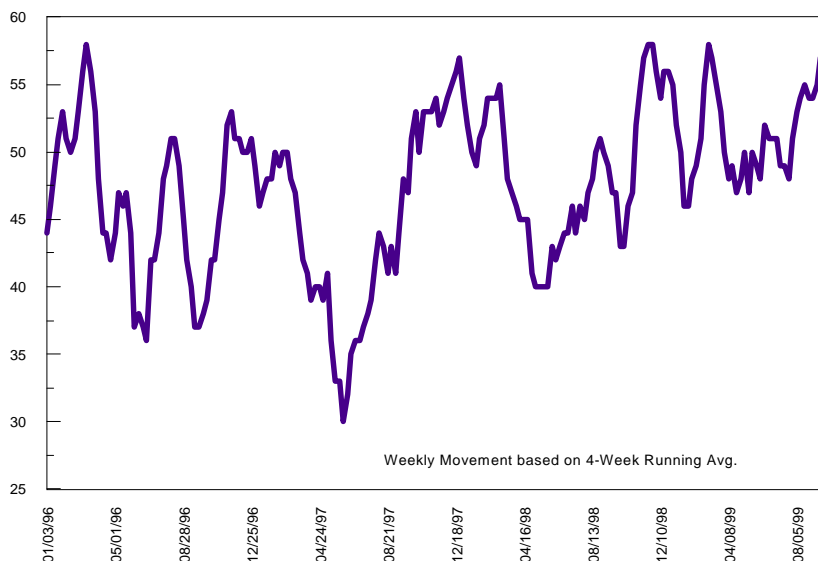
Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 5/04/00			
Vancouver	4,329	687	635
Prince Rupert	2,996	3	89
Prairie Direct	825	209	329
Thunder Bay	520	240	202
St. Lawrence	2,145	1,460	0
1999 YTD Exports	10,815	2,599	1,259
1998 YTD Exports	7,505	2,541	714
% of Last Year	144%	102%	176%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



**Gulf Region
Vessels Loaded
- Past 7 Days-**

Port Region Ocean Grain Vessels

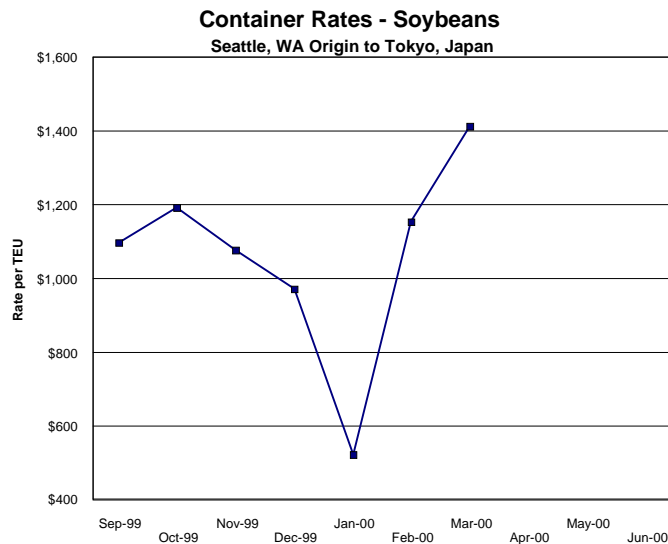
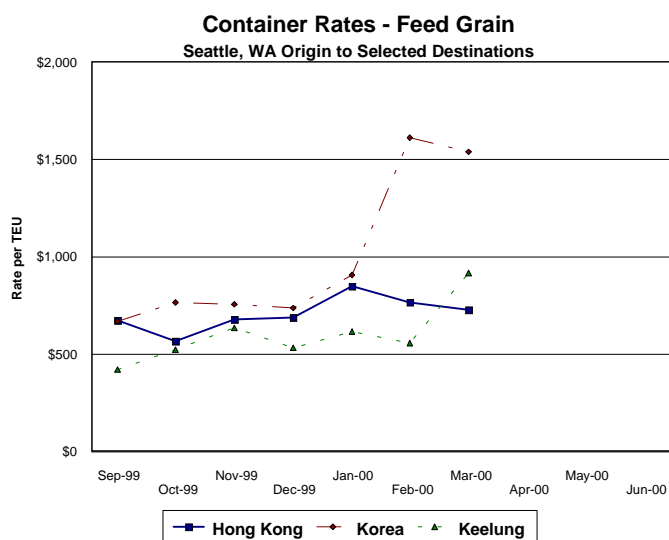
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
04/27/00	28	39	59	11			10	5	3
05/04/00	29	39	47	7			8	8	2
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

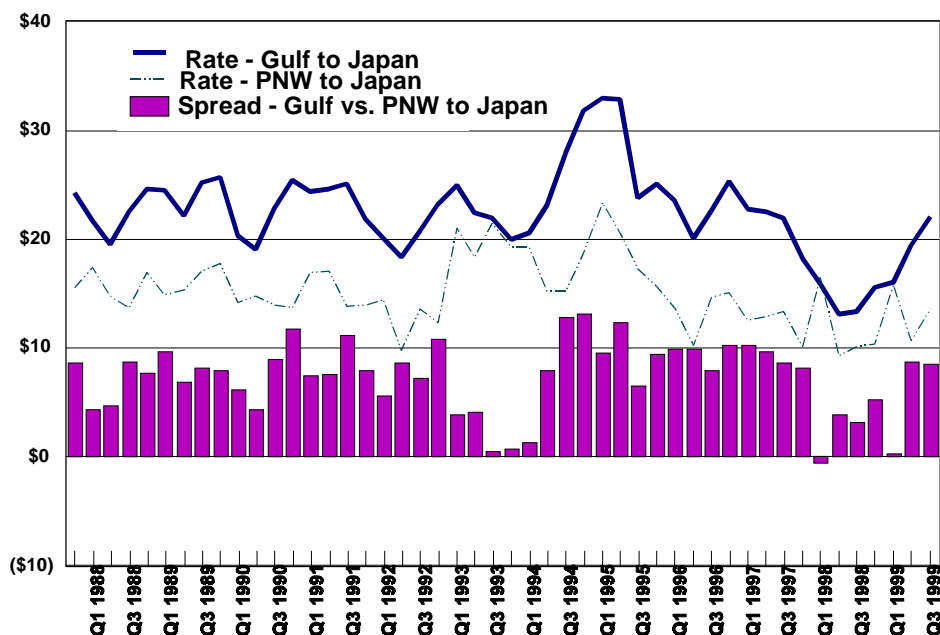
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA



US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 1 st Qtr	1999 1 st Qtr	% Change		2000 1 st Qtr	1999 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	Argentina to			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 5/6/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Thunder Bay	Seaforth (UK)	Heavy Grain	May5/15	18,000	\$25.90
Great Lakes	Tunisia	Heavy Grain	May15/20	25,000	\$26.50
Duluth	Algeria	Heavy Grain	May10/15	15,000	\$35.50
Gulf	Portugal & Europe	Grains	Prompt	25,000	\$18.50
Gulf	Ireland	Grains	Prompt	25,000	\$17.25
PNW	Yemen	Wheat	Prompt	30,000	\$34.00
PNW	Taiwan	Heavy Grain	May11/20	56,000	\$14.95
Parana River	Venezuela (op 2pts.)	Heavy Grain	Prompt	24,000	\$21.75op22.75
River Plate	Costa Rica	Corn & Meals	Spot	18,800	\$25.50
Hamburg	Saudi Red Sea	Barley	Prompt	53,000	\$16.75

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option